REMARKS

The Applicants respectfully request reconsideration of the present Application in view of the foregoing amendments and in view of the reasons that follow.

Claims 1-119 are now pending.

Objection to the Drawings

On page 2 of the Office Action, the Examiner objected to the Drawings. The Drawings (FIGURES 1-2) have been amended. The Applicants request withdrawal of the objection to the Drawings.

Claim Rejections – 35 U.S.C. § 101

On page 2 of the Office Action, the Examiner rejected independent Claims 1, 25, 48, 72 and 96 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. The Examiner stated:

> The invention in the body of the claim must recite technology. If the invention in the body of the claim(s) is not tied to technological art, environment or machine, the claim(s) is/are considered non-statutory. The recitation in the body of claims 1, 25, 48, 72 and 96 are directed to merely human mental computation or processes that can be performed by a person manually, and thus is considered nothing more than an abstract idea which is not useful art as contemplated by the constitution [see Ex Parte Bowman, 61, U.S.P.Q.2d 1665, 1671 (Bd. Pat. App. & App. Inter. 2001) unpub]. The abstract idea does not become technological art, for example, by mere recitation of a computer in the preamble because the recitation in the invention in the body of the claims manipulates an abstract idea/manual process without providing producing [sic] a useful, concrete and tangible result via a computer.

It appears from the Examiner's statements that the basis of this rejection is set forth in a two-prong test of: (1) whether the invention is within the technological arts; and (2) whether the invention produces a useful, concrete and tangible result.

The first prong of the Examiner's test, apparently based on the unpublished Ex Parte Bowman decision, requires that the invention is within the technological arts. Securitizing

retail lease assets and securities are within the technological arts because they involve the application of financial engineering. Technology is "the branch of knowledge that deals with the industrial arts, applied science, engineering, etc." Webster's Encyclopedic Unabridged Dictionary of the English Language, 1st ed. New York: Random House, 1994. The Massachusetts Institute of Technology Laboratory for Financial Engineering defines the focus of financial engineering as "the quantitative analysis of financial markets using mathematical, statistical, and computational models." Financial engineering includes "validation and implementation of financial asset pricing models, the pricing and hedging of options and other derivative securities, risk management and control, trading technology and market microstructure, nonlinear model of financial time series, neural-network and other nonparametric estimation techniques, high-performance computing, and public policy implications of financial technology." http://lfe.mit.edu/about/intro.htm Cornell University's Masters of Engineering Program describes their financial engineering option as "the application of engineering methods to finance" including "the design, analysis, and construction of financial contracts to meet the needs of enterprises." http://www.orie.cornell.edu/meng/brochure/tables/financial1.html Accordingly, the subject matter recited within Claims 1-119 involve the application of financial engineering and is therefore within the technological arts.

The second prong of the Examiner's test requires that the invention produces a useful, concrete, and tangible results. Concrete results includes those that are "of, or relating to an actual, specific thing or instance; particular: *had the concrete evidence needed to convict.*" The American Heritage® Dictionary of the English Language, 4th ed. Boston: Houghton Mifflin, 2000. Similarly, tangible results include those that are "[p]ossible to understand or realize: *the tangible benefits of the plan*" or "[t]hat can be valued monetarily: *tangible property.*" The American Heritage® Dictionary of the English Language, 4th ed. Boston: Houghton Mifflin, 2000.

Claims 1-119 are directed to securities and methods for securitizing retail lease assets, and recite securitizing retail lease assets which provides useful, concrete, and tangible results. The result is useful in that a securitized retail lease asset enables the financing of retail vehicle lease assets. The result is concrete in that investment securities relate to a specific thing,

an instrument supported by secured notes that are separately and independently secured by a first priority perfected lien on a related vehicle and lease. Finally, the result is also tangible in that the securities are possible to understand or realize and can be valued monetarily. Accordingly, the subject matter recited within Claims 1-119 produces a useful, concrete, and tangible result.

A security satisfies the Diamond v. Chakrabarty criteria of "anything under the sun made by man." Further, the subject matter of Claims 1-119 also do not define an abstract idea because they are both tied to a technological art or environment and produce a useful, concrete and tangible result, specifically the security. Accordingly, Claims 1-119 are directed to statutory subject matter and are patentable under 35 U.S.C. §101 for at least these reasons.

Accordingly, the Applicants respectfully request withdrawal of the rejection of Claims 1, 25, 48, 72 and 96 under 35 U.S.C. § 101.

Claim Rejections – 35 U.S.C. § 103(a)

On page 3 of the Office Action the Examiner rejected Claims 1-119 as being obvious over U.S. Patent No. 6,622,129 titled "Method of Creating an Index of Residual Values for Leased Assets, Transferring Residual Value Risk, and Creating Lease Securitizations" to Whitworth ("Whitworth '129") and the publication "Overcoming the Legal Barriers to Auto Lease Securitization" by Jason H.P. Kravitt and Elizabeth A. Raymond ("Kravitt et al."), in view of each other, under 35 U.S.C. § 103(a).

The Examiner stated that Whitworth '129 discloses:

> Issuing a financial asset to fund the acquisition of the leases creating a nominee titleholder and a registered lien on each leased vehicle transferring the financial asset to a securities-issuing entity (see [Whitworth '129], col. 5, ll. 17-27 and 45-49).

The Examiner stated that Kravitt et al. discloses:

> As in claims 1, 25, 48, 72 and 96, a method for securitizing retail lease assets comprising: creating a leasing company which acquires leases from dealers (see [Kravitt et al.], 3.1, "State Law Titling Issues," page 3, paragraph 4).

The Examiner concluded that:

> In view of Kravitt's teaching it would have been obvious to an artisian at the time of the invention to employ the teaching of Kravitt into the teachings of Whitworth because an artisian at the time of the invention of Whitworth would have understood and recognized the "ins and outs" of automobile lease securization as taught by Kravitt as well as the particular drawbacks and legal barriers one would experience in such transactions. Thus, one of ordinary skill in the art at the time of Whitworth would have been motivated to pursue alternative methods (such as backed pools, trustor equity contribution (residual value)), etc.,) for securitizing retail lease assets to provide a greater opportunity and a greater success for such transactions. Thus the aforementioned teachings asserted in Kravitt would have provided obvious alternatives to create lease securitizations, being an obvious expedient to one of ordinary skill in the art.
>
> On the other hand, it would have been obvious to an artisan from the Kravitt article to recognize the notoriously old and well known lease securitization practices, as well as, the various limitations and legal barriers associated with Auto lease securization. One of ordinary skill in the art would also be familiar with the terms or "risk" and "collateral" of various forms and how collateral is used to minimize risk by securing loans. Therefore an artisian of ordinary skill in the art would be motivated to use the various financial instruments taught in Whitworth as collateral to secure leases (leases being understood as an alternative form of a loan).. Thus such a modification would be an obvious expedient well within the ordinary skill in the art.

Whitworth '129 has a filing date ("effective date") of February 14, 2000. Attached is a declaration under 37 C.F.R. § 1.131 ("Rule 131 Declaration") showing conception and reduction to practice of the subject matter of Claims 1-119 on or before February 14, 2000, the effective date of Whitworth '129. It is respectfully submitted that Claims 1-119 are allowable over Kravitt et al. and Whitworth '129, in view of one another, since Whitworth '129 does not qualify as prior art under 35 U.S.C. § 103(a) based on the Rule 131 Declaration submitted herewith.

Accordingly, the Applicants respectfully request withdrawal of the rejection of Claims 1-119 under 35 U.S.C. § 103(a).

The Applicants believe that the present Application is now in condition for allowance. Favorable reconsideration of the Application as amended is respectfully requested.

* * *

The Applicants respectfully submit that each and every outstanding objection and rejection has been overcome, and the present Application is in a condition for allowance. The Applicants request reconsideration and allowance of pending Claims 1-119.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present Application.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this Application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account 06-1447. Should no proper payment be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to the Deposit Account No. 06-1447. If any extensions of time are needed for timely acceptance of papers submitted herewith, the Applicants hereby petition for such extension under 37 C.F.R. § 1.136 and authorizes payment of any such extension fees to Deposit Account No. 06-1447.

Respectfully submitted,

Date 2/7/05

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Amendments to the Drawings

Please substitute the attached 2 sheets (FIGURES 1-2) of formal drawings for the informal drawings originally filed with the Application. A separate Transmittal of Formal Drawings is submitted.